

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 2595

Introduced by Honorable Mark Llandro L. Mendoza

EXPLANATORY NOTE

The bill seeks to support the local agriculture and enhance food security in the Philippines by mandating the Local Government Units (LGUs) to earmark ten percent (10%) of their Internal Revenue Allotment (IRA) for agriculture and food security programs.

The Philippines is still primarily an agricultural country with most of its citizens still living in rural areas and solely dependent on agriculture as their means of livelihood. The country's agriculture sector employs 39.8 percent of the labor force and represents twenty percent (20%) of the Growth Domestic Product (GDP). However, in recent years, the share of agriculture in the total gross domestic product has declined as the country has switched from being a net exporter to a net importer of agricultural products and food items.

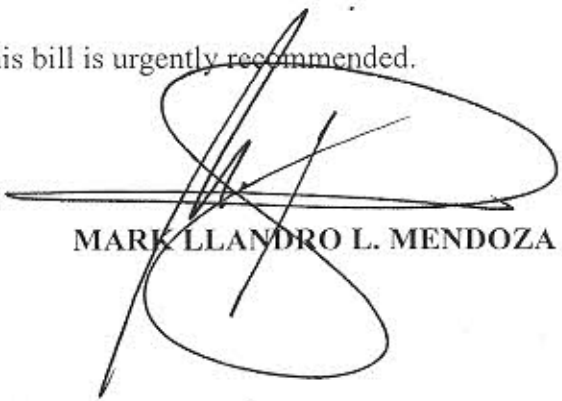
Food production is the key to sustainable development. One of the reasons for the failure of the Philippines to sustain its growth is the lack of investment and support in agriculture and food production.

A factor affecting agricultural productivity in the country is the varying degrees of participation from the local government units to which the implementation and control of agricultural programs at the local level has been devolved with the passage of Republic Act. No. 7160, otherwise known as the "*Local Government Code of 1991*."

While the national government through the Department of Agriculture, adopts strategies to improve agricultural productivity, it could not effectively implement such strategies since the personnel, power and resources are managed and controlled by local executive officials at the provincial and municipal levels. As such, the extent of assistance and quality of services will depend on the performance and action taken by the concerned GLU.

It is therefore imperative to define, establish and strengthen the indispensable role and functions of the local government units in advancing and supporting agricultural and food productivity in the local level. Their active involvement and participation are vital for the effective implementation of the national policies and programs in agriculture and food production and should be sought to spur growth and ensure food security, self-sufficiency and sustainable development of our country.

In view of the foregoing, approval of this bill is urgently recommended.


MARK LLANDRO L. MENDOZA

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House Bill No. 2595

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AN ACT
MANDATING ALL LOCAL GOVERNMENT UNITS TO EARMARK TEN PERCENT
(10%) OF THEIR RESPECTIVE INTERNAL REVENUE ALLOTMENT (IRA) FOR
AGRICULTURE AND FOOD SECURITY PROGRAMS, PROJECTS AND ACTIVITIES
FOR A PERIOD OF TEN (10) YEARS

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. Short Title. – This Act shall be known as the “ *Local Agricultural Production Fund Initiative.*”

SECTION 2. Declaration of Policy. – It is hereby declared the policy of the State to support and enhance the country’s agricultural capability and resources to increase food production for sustainable development.

The state also recognized the vital role of local government units in the implementation of agricultural programs, projects and activities to advance food production and ensure food security. In relation thereto, the state, through the local government units, shall propagate and implement the essential support programs to further develop agricultural resources, improve credit financing available to small farmers as well as augment the necessary agricultural infrastructures to boost food and security.

SECTION 3. Local Agriculture and Food Security Fund. – For a period of ten (10) years upon approval of this Act, every province, city and municipality shall appropriate as least ten percent (10%) of their Internal Revenue Allotment (IRA) for agriculture and food security programs, projects and activities. This allocation shall be known as the “**Local Agriculture and Food Security Fund.**”

The local chief executive shall, in coordination with the concerned sangguniang panlalawigan, sangguniang panlungsod or sangguniang bayan, manage and administer the Local Agriculture and Food Security Fund.

SECTION 4. Purpose. – The Local Agriculture and Food Security Fund shall be exclusively used to finance the agriculture and food security programs of each province, city and municipality and shall be utilized primarily for the following:

- a) Establishment of agricultural food depot and distribution centers where the farmers can trade their crops and other agriculture products directly to the consumers on retail or wholesale basis;

- b) Subsidy for agricultural inputs like seeds, fertilizers and pesticides;
- c) Construction, repair, and maintenance of local irrigation system and agricultural infrastructures;
- d) Construction and maintenance of post harvest facilities, processing plants and warehouse;
- e) Loans and financing for farmers;
- f) Acquisition of equipment such as threshers, dryers, milling equipment; and
- g) Research development and information dissemination.

SECTION 5. Penalties. – Any person who will misappropriate the Local Agriculture and Food Production Fund shall, upon conviction, be punished with a fine of not less than Ten Thousand Pesos (P10,000.00) but not more than Fifty Thousand Pesos (P50,000.00) or imprisonment of not less than one (1) month or both such fine and imprisonment at the discretion of the court.

If the offender is a public officer, he shall, in addition, be dismissed from the service and disqualified for election to any public office.

SECTION 6. Implementing Rules and Regulations. – Within sixty (60) days after the effectivity of this Act, the Secretary of Interior and Local Government shall, in coordination with the Secretary of Agriculture, issue such rules and regulations necessary for the effective implementation of this Act.

SECTION 7. Annual Review. – The Department of Agriculture shall conduct an annual review of the local agriculture and food production system and shall submit annual recommendations and reports to both Houses of Congress.

SECTION 8. Separability Clause. – If any of the provision or part of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SECTION 9. Repealing Clause. – All laws, decrees, executive orders, proclamations, rules and regulations, and issuances, or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SECTION 10. Effectivity. – This Act shall take effect fifteen (15) days after publication in the Official Gazette or in two (2) national newspapers of general circulation.

Approved,